

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:826
ANSWERED ON:21.07.2016
Changes in Labour Laws
Mahadik Shri Dhananjay Bhimrao

Will the Minister of TEXTILES be pleased to state:

- (a) whether the Government has introduced labour law changes for the textile and apparel sectors, if so, the details thereof;
- (b) whether the Government had consulted the trade unions before introducing changes in the labour law, if so, the details thereof;
- (c) the benefits that are likely to be accrued by the said labour law changes; and
- (d) the other steps taken/being taken by the Government for betterment of labour force in the textile sector?

Answer

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

- (a): Yes Madam. Government has introduced Labour Laws reforms for the textile and apparel sector. The details are at Annexure-I
- (b): Consultation with trade unions is an ongoing process in the form of tripartite consultation.
- (c): Benefits likely to be accrued by labour law reforms are:-

â€¢ Government bearing employers' contribution in EPFO for new workmen will encourage employers to bring more workers into the formal sector.

â€¢ Optional EPF will lead to more cash in hand with the workers by removing the compulsory EPF contribution condition.

â€¢ Increase in overtime caps shall lead to increased earnings to the workers.

â€¢ A fixed term workman will be considered at par with permanent workman in terms of working hours, wages, allowances and other statutory dues.

- (d): Government has taken other steps as mentioned in Annexure-II for the betterment of labour force including the textile sector.

Annexure - I

Labour Law Reforms in special package for Apparel Sector:-

- (i) Government to bear 3.67% of employer's Employee Provident Fund (EPF) contribution for new workmen in addition to existing reimbursement of 8.33% employer contribution under Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) for 3 years.
- (ii) EPF is made optional for employees earning less than Rs. 15,000 per month.
- (iii) Increase in overtime limit for workers in apparel industry from 50 hours to 100 hours per quarter.
- (iv) Introduction of Fixed Term Employment: Looking at the seasonal nature of the industry, Fixed Term Employment has been approved for the apparel industry under Sub section 1 (15) of the Industrial Employment (Standing Order) Act, 1946.

Annexure - II

Other steps taken by Government for the betterment of labour force including the textile sector are:-

a. "Several labour reform initiatives have been taken by the Government, which will be benefitting the manufacturing sector including the textile sector. In line with the recommendations of the Second National Commission of Labour, Government has taken steps to draft Small Factories Bill, special legislation for regulating the working and service conditions of the workers in the small manufacturing units employing less than 40 workers. Further, Government has taken steps for drafting four Labour Codes for Wages: Industrial relations; Social Security & Welfare; and Safety, Health and Working Conditions respectively, by simplifying, amalgamating and rationalizing the relevant provisions of the existing Central Labour Laws. This will help in catalysing the creating of employment opportunities in the country, while ensuring basic aspects of safety, social security and health of workers.

b. A new Scheme "Pradhan Mantri Rojgar Protsahan Yojana" has been announced in the Budget for 2016-17 with the objective of promoting employment generation and an allocation of Rs. 1000 crores has been made. The Scheme is being implemented by the Ministry of Labour and Employment in 2016-17. Under the scheme employers would be provide an incentive for enhancing

employment by reimbursement of the EPS contribution made by the employer in respect of new employment".
